



**CONSERVATION  
COUNCIL** ACT REGION

Submission to the Australian Government  
Department of Climate Change, Energy, the  
Environment and Water

## Safeguard Mechanism reform

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February 2023

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

### **For further information please contact:**

Elle Lawless, Executive Director, [director@conservationcouncil.org.au](mailto:director@conservationcouncil.org.au).

## Introduction

According to Professor Mark Howden at the Australian National University's recent annual climate update, the climate crisis "keeps on getting worse than we thought".<sup>1</sup> Australia is lagging at least a decade behind leading nations on action to tackle climate change and time is rapidly running out to have any chance of stabilising the climate within safe limits.

Every policy that the Australian Government implements to limit climate change must be both ambitious and effective. We must stop giving concessions to the polluting industries that have caused the crisis. Companies must be forced to actually reduce or eliminate greenhouse gas emissions, not be enabled to continue business as usual while greenwashing their polluting operations through the use of offsets. Carbon offset schemes are notoriously questionable due to lack of transparency, rigour and long-term, verifiable additionality. The task of removing existing greenhouse gases from the atmosphere is already so massive that the world simply cannot afford for polluters to keep polluting.

## The Safeguard Mechanism

The primary purpose of the Safeguard Mechanism is to limit greenhouse gas emissions from industry. However, it has not been effectively enforced, baselines are too generous, reduction targets are too small, and the lack of limits on purchase of offsets has seen the expansion of business as usual and emissions, not an effective reduction nor an effective disincentive for polluters.

In the absence of other effective policies to reduce emissions, such as a carbon trading scheme, a ban on new coal and gas projects or a clear plan to phase out existing coal and gas projects and emissions from industry, the Safeguard Mechanism must be strengthened and enforced, the loopholes closed, the greenwashing avenues removed.

The Mechanism must drastically reduce the use of offsets, reserving them only for those industries where a technological solution or alternative is genuinely not available. There is enough evidence now from decades of such programs that the world cannot "offset its way to dealing with the climate crisis – emissions reductions need to be deep and direct"<sup>2</sup>.

All polluting industries should be required to produce a plan to achieve zero emissions by 2045 through actual reductions, phasing out polluting fuels and technologies. The Mechanism should not enable the expansion of existing polluting projects nor facilitate the establishment of new polluting projects. Those industries that claim that a 5% cut in emissions per year is too hard or costly should be required to close down – they have had decades of science about the need to cut emissions while society and the environment have borne the costs of their pollution and inaction.

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<sup>1</sup> Conservation Council ACT Region, 2023, 'Catch up on ANU's 2023 Climate Update'  
<https://conservationcouncil.org.au/blog/2023/02/16/anu-climate-update-2023/>

<sup>2</sup> Morton, A, 2023, 'Safeguard mechanism: what is it, will it cut emissions and what role do carbon offsets play?', *The Guardian*, 17 February,  
<https://www.theguardian.com/australia-news/2023/feb/17/safeguard-mechanism-what-is-it-will-it-cut-emissions-and-what-role-do-carbon-offsets-play>

## Other policies

The Australian Government must develop ambitious policies to implement the national target of zero emissions by 2050. The States and Territories all have such targets and are beginning to demonstrate how it can be achieved. The Australian Government needs to legislate for no new coal, oil and gas projects, and develop a practical plan to phase out all existing coal, oil and gas projects as rapidly as possible. This includes measures to support the States and Territories to transition all buildings, transport and industry off fossil fuels.

Implement the Samuel recommendations for the *Environment Protection, Biodiversity and Conservation Act 1999*, particularly to include climate impacts.

Australia cannot continue to justify fossil fuel extraction and export on the basis of continuing demand. This country's role needs to be that of demonstrating alternative energy pathways.

## Summary and Recommendations

The Conservation Council ACT Region recommends the following:

1. Require covered facilities to collectively achieve a 43% reduction in emissions by 2030 and net-zero emissions by 2050 in line with Australia's national and State/Territory emissions targets.
2. Set an absolute cap on emissions commensurate with the best science on the global carbon budget, to be reviewed and updated annual.
3. Stop polluters purchasing carbon credits unless they first invest in genuine emissions cuts at their facilities.
4. When polluters must purchase carbon credits, make them prioritise Safeguard Mechanism Credits – created when other facilities in the Safeguard Mechanism reduce their emissions below their baselines – before being allowed to use Australian Carbon Credit Units. Require polluters to report annually their use of offsets or credits and their pathway to phasing them out.
5. Ban new coal and gas facilities from joining the Safeguard Mechanism and purchasing carbon credits to cover their pollution, or being eligible for any government funding.
6. Restrict funding to only support genuine business decarbonisation transformation projects and the expansion of green industries to replace fossil fuel projects and polluting industries.
7. Require any new projects to be assessed under a strengthened *Environment Protection, Biodiversity Conservation Act 1999*, particularly a climate impacts trigger.
8. Restrict trade exposed baseline adjustments so that no fossil fuel project is eligible.